

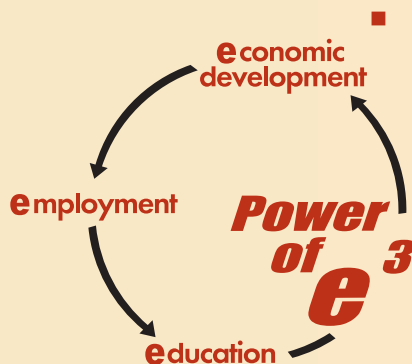


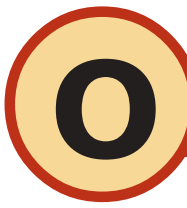
High Growth INDUSTRY PROFILE

Industry Snapshot

Growth Pattern

- The Gross Domestic Product (GDP) in 2001 for motor vehicles and equipment was \$111.4 billion, a 1% share of the national total. The GDP in 2001 for auto repair, services, and parking was \$99.5 billion, a 1% share of the national total. More than 3.7% of America's total GDP is generated by the sale and production of new light vehicles. (U.S. Bureau of Economic Analysis and Alliance of Automobile Manufacturers)
- The automotive industry is one of the largest industries in the United States. It creates 6.6 million direct and spin-off jobs and produces \$243 billion in payroll compensation, or 5.6% of private sector compensation. For every worker directly employed by an automaker, nearly seven spin-off jobs are created. (Alliance of Automobile Manufacturers)
- One out of every 10 jobs in the United States is dependent on the automotive industry. No other industry is linked to so much manufacturing or generates more retail business and employment. (Alliance of Automobile Manufacturers)
- Total automobile dealership dollar sales reached \$679 billion in 2002. Total dealership employment was 1,129,600 workers and payroll was nearly \$49 billion in 2002. (National Automobile Dealers Association)
- Dealership sales in 2002 as a percentage of total retail trade in the United States was 21.7%. (National Automobile Dealers Association)





Occupational Outlook

The following occupations in the Automotive Industry are projected to see at least 10% growth between 2002 and 2012: (U.S. Bureau of Labor Statistics)

Automotive-Related Occupations	Number Employed 2002 (000's)	Number Employed 2012 (000's)	Numeric Change (000's)	Change %	2002 Median Annual Earnings	Postsecondary Education & Training
Automotive service technicians and mechanics	818	919	101	12.4%	\$30,590	Postsecondary vocational award
Bus and truck mechanics and diesel engine specialists	267	305	38	14.2%	\$16.53 (hourly)	Postsecondary vocational award
Automotive body and related repairers	198	225	27	13.2%	\$32,680	Long-term on-the-job training
Automotive glass installers and repairers	22	24	2	10.7%	\$26,890	Long-term on-the-job training

Automotive Dealers and Gasoline Service Stations Retail, Total Employment & Top 15 Occupations, 2001		
Occupation Title	Total Employment	% of Total
Total automotive industry	2,409,240	100.0 %
Retail salespersons	354,070	14.70 %
Cashiers	347,720	14.43 %
Automotive service technicians	321,060	13.33 %
First-line supervisors/managers of retail sales workers	152,100	6.31 %
Parts salespersons	132,440	5.50 %
General and operations managers	65,030	2.70 %
Tire repairers and changers	58,380	2.42 %
First-line supervisors/managers of automotive service technicians, installers, repairers	56,270	2.34 %
Service station attendants	55,470	2.30 %
Bookkeeping, accounting, and auditing clerks	55,070	2.29 %
Office clerks, general	54,680	2.27 %
Automotive body and related repairers	50,590	2.10 %
Counter and rental clerks	37,030	1.54 %

This is not a comprehensive list of occupations. Please refer to the U.S. Bureau of Labor Statistics Occupational Outlook Handbook at www.bls.gov/oco/home.htm for a complete list.

T^ypes of Jobs Created

Part-time vs. Full-time:

- Of the 2,250,000 total workers employed in the transportation equipment manufacturing industry (of which automotive manufacturing is a subset), 2,206,000 work full-time (98%), while 43,000 work part-time (2%).
(U.S. Bureau of Labor Statistics, 2003 Current Population Survey)

Skill Sets:

- Some automotive manufacturers and their associated dealers sponsor 2-year Associate degree programs at postsecondary schools. Students enrolled in these programs typically spend alternate 10- to 12-week periods attending classes full-time and working full-time in the service departments of participating dealers.
- Most new sales workers receive extensive on-the-job training, beginning with mentoring by sales managers and experienced sales workers. In large dealerships, beginners receive classroom training to learn the models for sale, methods for approaching prospective customers, negotiation techniques, and ways to close sales.
- For trainee positions, dealerships increasingly prefer to hire automotive service technician graduates of postsecondary automotive training programs. Good reading and basic math skills are required to study technical manuals, keep abreast of new technology, and learn new service and repair techniques as vehicle components and systems become increasingly sophisticated.
- Production workers account for three out of five motor vehicle and equipment manufacturing jobs. They receive most of their training on the job or through apprenticeship programs.

W^orkforce Issues

Recruitment and retention of employees, education and training of current and potential employees, and promotion and image were all cited by executives as challenges that affect the ability to develop a world-class automotive workforce.

Upon further validation and clarification of these issues, industry stakeholders narrowed the scope of their examination to five areas:

Image, Outreach, and Awareness of the Industry

Automotive industry leaders believed that champions should be identified to raise awareness of this career choice and convince parents, guidance counselors, teachers, and other role models of its viability.

Improvement of the Diversity of the Workforce

Automotive industry leaders recognized that neighborhoods and school districts from which a diverse workforce can be recruited are the same areas that are suffering from severe budget cuts and the elimination of automotive technician programs. At the same time, more affluent communities that have

automotive technician programs are not making enough of an effort to recruit young women.

Certification of Trained Instructors

Automotive industry leaders believed that too many instructors are not Automotive Service Excellence (ASE)-certified and are not up to date with standards set by the industry. They also concluded that a more positive image of the career path for instructors is needed to draw in more of these professionals.

Standardization of Education and Training

Automotive industry leaders believed that too many schools and other training

programs lack National Automotive Technicians Education Foundation (NATEF) certification. Some of these same schools lack the most up-to-date facilities and equipment.

Certification of Technicians with Limited English Proficiency

Automotive industry leaders believed there were many well-trained technicians who could pass a certification exam if it were translated into other languages, especially Spanish.



What is the High Growth Job Training Initiative?

The President's High Growth Job Training Initiative, as implemented by the U.S. Department of Labor's Employment and Training Administration, is designed to provide national leadership for a demand-driven workforce system that ensures no worker is left behind. It is a strategic effort to prepare workers to take advantage of new and increasing job opportunities in high growth/high demand and economically vital industries and sectors of the American economy. The initiative is designed to ensure that worker training and career development resources in the public workforce system are targeted to helping workers gain the skills and competencies they need to obtain jobs and build successful careers in these industries.

The foundation of this initiative is partnerships that include the public workforce system, business and industry, education and training providers, and economic development working together to develop solutions to the workforce challenges facing these industries and to develop maximum access for American workers to gain the competencies they need to get good jobs in these industries.

H

igh Growth Job Training Initiative

In its efforts to meet the workforce demands of the 21st century economy, the U.S. Department of Labor's Employment and Training Administration (ETA) is conducting forums with various targeted high growth industries.

The Executive Forums are opportunities for senior industry executives to communicate the critical workforce issues facing their industry.

The Workforce Solutions Forums are opportunities for industry leaders, employers, educators, public and private workforce professionals, and economic development organizations to work together to identify a range of actual and potential solutions that, if implemented, could address their industry's workforce needs.

Automotive Industry Executive Forum

ETA conducted an Automotive Industry Executive Forum in partnership with 19 automotive industry CEOs to discuss the critical workforce issues facing the automotive industry on October 30, 2002. Executives from the following automotive companies and organizations attended the Executive Forum:

- American Honda Motor Company, Inc.
- BMW US Holding Corporation
- Brookdale Dodge
- DaimlerChrysler Corporation
- Dreher-Holloway Motors
- Ford Motor Company
- Francis Tuttle Technical Center
- General Motors Corporation
- Holiday Chevrolet-Olds
- Mercedes-Benz USA, LLC
- National Automobile Dealers Association
- Subaru of America, Inc.
- Toyota Motor Sales, U.S.A. Inc.
- Union Park Pontiac-Honda-BMW-GMC Truck-Volvo-Ford-Jaguar, Inc.
- Volkswagen of America, Inc.
- Wisconsin Automobile & Truck Dealers Association

Automotive Industry Workforce Solutions Forum

To follow up, the ETA and public workforce system representatives met with 28 senior human resources vice presidents and corporate staff on April 16, 2003, to discuss the critical workforce issues facing their industry. The following are the automotive companies and organizations represented at this Workforce Solutions Forum:

- American Honda Motor Company, Inc.
- Automotive Service Excellence
- Automotive Youth Educational Systems
- BMW of North America
- DaimlerChrysler Corporation
- General Motors Corporation
- Mercedes-Benz USA, LLC
- Mitsubishi Motor Sales of America, Inc.
- National Automobile Dealers Association
- Nissan North America
- Shell Lubricants-Jiffy Lube International
- Snap-on Incorporated
- SPX Corporation
- Subaru of America, Inc.
- Toyota Motor Sales, U.S.A. Inc.
- Volkswagen of America, Inc.

Automotive Industry Workforce Solutions Forum (*continued*)

On April 1, 2004, the ETA conducted an Automotive Industry Workforce Solutions Forum in Leesburg, Virginia, with more than 80 participants representing industry, education, economic development, military, and the workforce system. During the forum, innovative model solutions were developed to address the critical workforce issues already identified and validated by the stakeholders at previous forums. (For a complete list of forum attendees, please contact the BRG.)

Background & Next Steps

ETA has addressed the workforce issues of the automotive industry from a national perspective by conducting an Executive Forum with the automotive industry to gather relevant information from key industry leaders.

This forum provided ETA and the public workforce system with the opportunity to gain further understanding of the overall critical workforce needs

of the industry. After meeting with industry leaders, ETA developed and solidified strategic alliances with business, education, and workforce leaders who are focused on the workforce issues confronting the automotive industry through a Workforce Solutions Forum. ETA will continue to engage leaders in industry, education, and the workforce system in developing innovative approaches to address their needs.

ETA will partner with employers and education providers to develop and model skills training solutions nationally that can be replicated and sustained throughout the state and local public workforce system. These approaches will help ensure that workers have the right skills for the right jobs at the right time.

The ETA In Action

Automotive Youth Educational Systems (AYES) Initiative

Challenge

With the increased pace of technological changes in recent years and the lack of awareness about career opportunities in the automotive field, it has become increasingly difficult for the automotive industry to find qualified body and service technicians. The number of new graduates from secondary and Associate degree automotive programs does not come close to meeting the demand for the 12,000 to 15,000 additional technicians who are needed nationwide each year.

Addressing the Challenge

The AYES Initiative addresses this workforce challenge by supporting the development and growth of select, industry-standard automotive technician training programs at technical high schools, with the support of partnering automotive manufacturers, local dealers, and high schools. AYES encourages students to pursue careers in the exciting and challenging fields of automotive service technology and collision repair/refinish and prepares them for entry-level technician positions and academic options with automotive programs that offer professional certification by the National Institute for Automotive Service Excellence (ASE). AYES emphasizes applied academics and contextual classroom learning and provides participating students with mentored worksite internships.

Sustainable Impact

AYES ensures sustainability through its strong, dynamic partnerships among automotive manufacturers, automotive dealers, and high-performing high schools. A \$600,000 grant from the ETA will allow AYES to certify 5,000 additional students through these partnerships, while increasing the number of programs offered nationwide. These federal grant funds are leveraged by at least \$1,050,000 in direct and in-kind support from AYES, participating high schools, automotive manufacturers, and sponsoring state and local dealers' associations. This significant industry support clearly demonstrates the value of the Initiative for the industry and promotes opportunities for the expansion, replication, and long-term impact of AYES.

National Programs

Additional Resources

Online Tools

CareerOneStop
(www.CareerOneStop.org)

The CareerOneStop is a resource for businesses and job seekers. It contains links to America's Job Bank, America's Service Locator, and America's Career InfoNet.

www.careervoyages.gov
www.doleta.gov

www.doleta.gov/atels_bat
jobcorps.doleta.gov
www.onetcenter.org

Other Tools

Toll-Free Help Line
1-877-US2-JOBS (1-877-872-5627)
1-877-889-5627 (TTY)

The Toll-Free Help Line provides up-to-date information about the full range of workforce services for workers and businesses as well as answers to employment and training questions.

Contact the BRG

For more information on the activities and services of the ETA's Business Relations Group (BRG), please contact:

U.S. Department of Labor
Employment and Training Administration
Business Relations Group
200 Constitution Avenue, NW
Room N-4643
Washington, DC 20210
(202) 693-3949
businessrelations@dol.gov

Apprenticeship

There are currently 260 apprenticeship programs throughout the nation focusing on automotive services.

Job Corps

Job Corps provides training in a number of automotive-related areas including Auto Body/Collision Repair, Automotive Transmission, and Diesel Mechanics. Currently, 42 centers throughout the country offer Auto Repair or Collision Repair training, making these the most prevalent auto-related programs. In Program Year 2002, 1,976 Job Corps students graduated from automotive-related programs.

